

SEIS

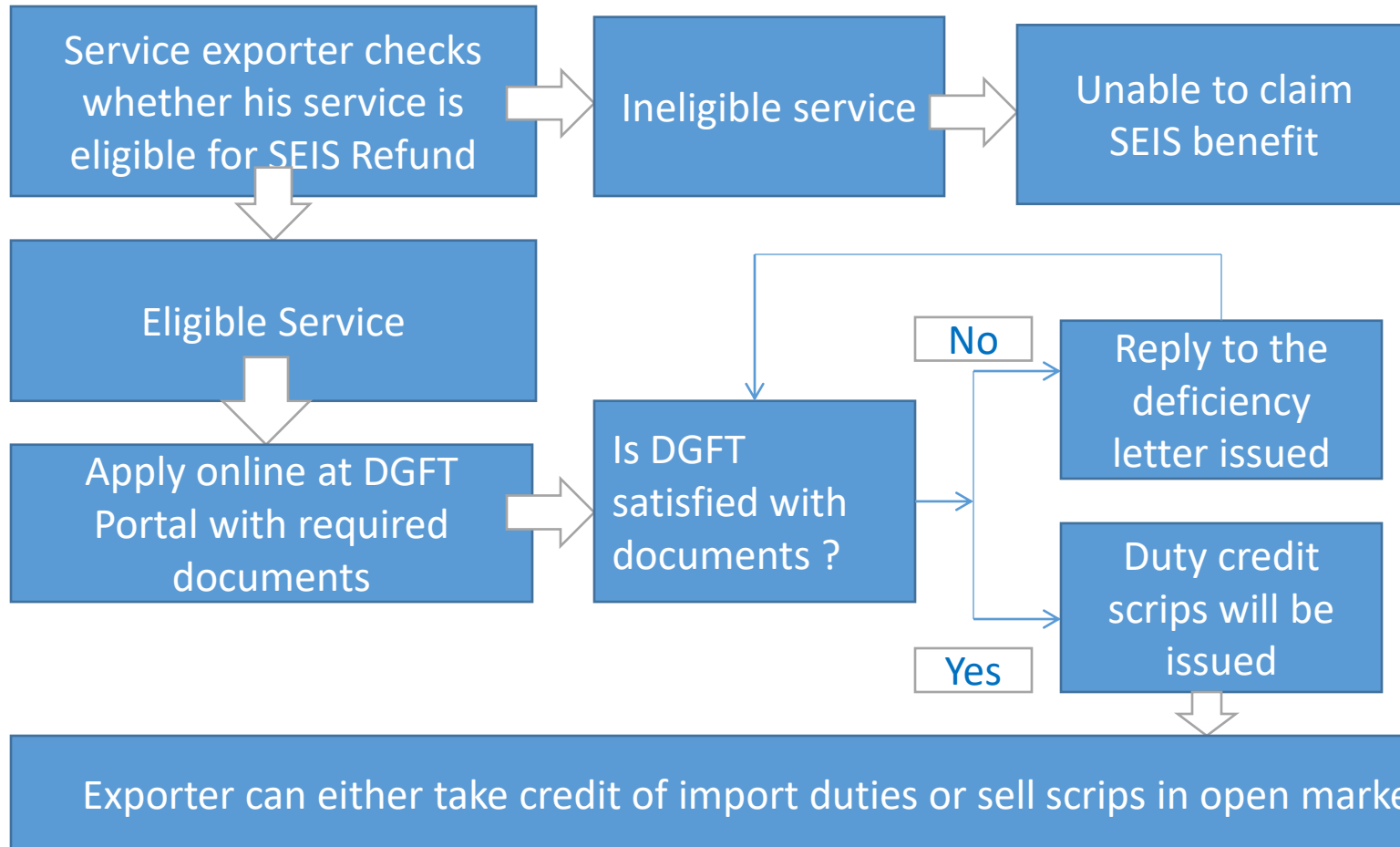
Service Export from India Scheme



INTRODUCTION

- The Service Export from India Scheme (SEIS) is an **incentive** given by the Ministry of Commerce through the Directorate General of Foreign Trade (DGFT) to **Service Exporters** based in India.
- This reward scheme is to **promote export of services** from India. This scheme was launched on **1st April 2015** for 5 years i.e. from 2015-2020 and replaces Service from India Scheme (SFIS) for 2009-14.

OVERVIEW





INCENTIVE UNDER SEIS

- The scheme provides **3% to 5%** incentives to all eligible service exporters who offer services from India to other countries.
- Incentive is provided in form of **Duty Credit scrips**.
- **Duty Credit scrip** is a document that allows the entitled holder to pay import custom duties levied on the import of various Services and goods.
- These scrips are government-issued, and the issuing department is DGFT. The SEIS Scrips are **Freely Transferable** in nature. It means that if the Scrip holder does not import anything, he/she can sell the SEIS license in the open market.

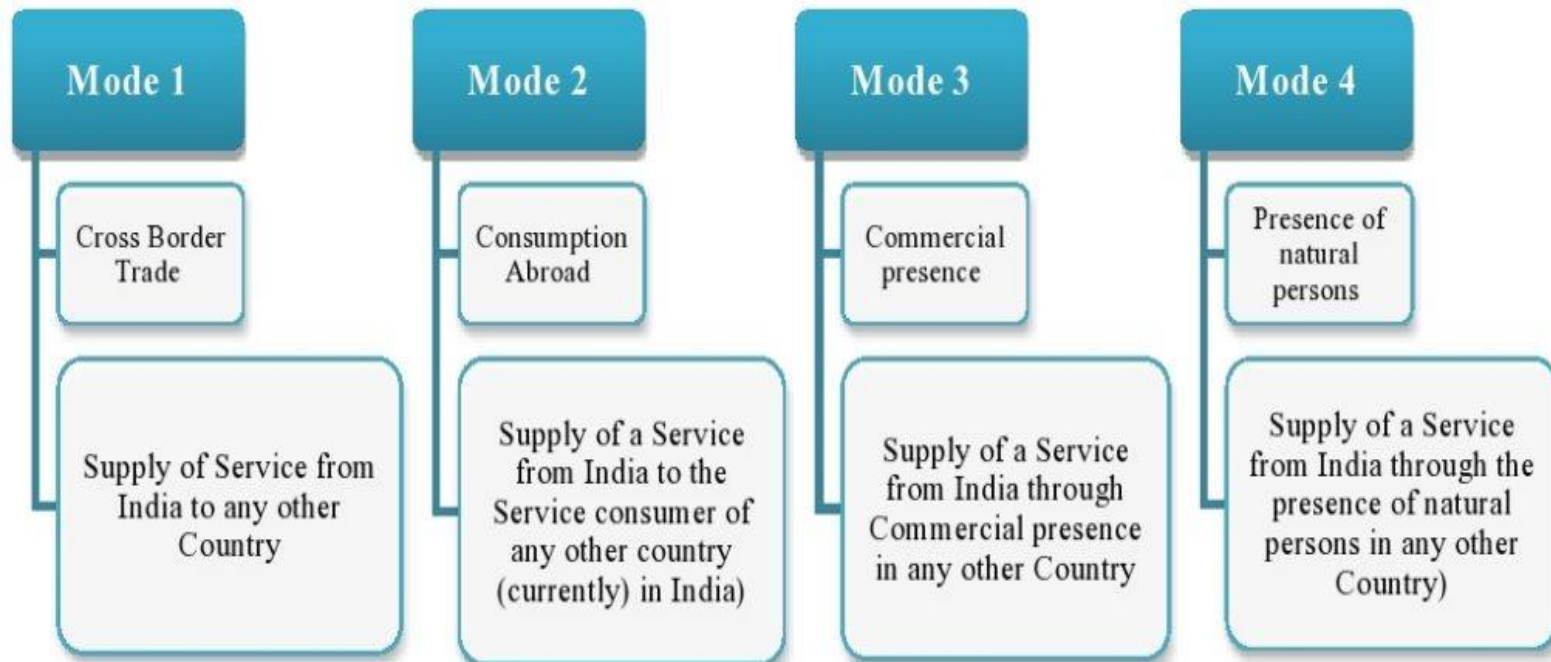


ELIGIBILITY

Exporters of service who want to avail benefit under SEIS scheme

- Have an **active IEC** at the time of rendering services
- Shall have certain **minimum Net Foreign Exchange earnings**
- Shall have exported **eligible services** as notified in Appendix 3X applicable on claim for FY 2019-20.

MODES OF EXPORT



Services provided under Modes 1 and 2 only are allowed for claim for eligible services

MINIMUM EARNINGS

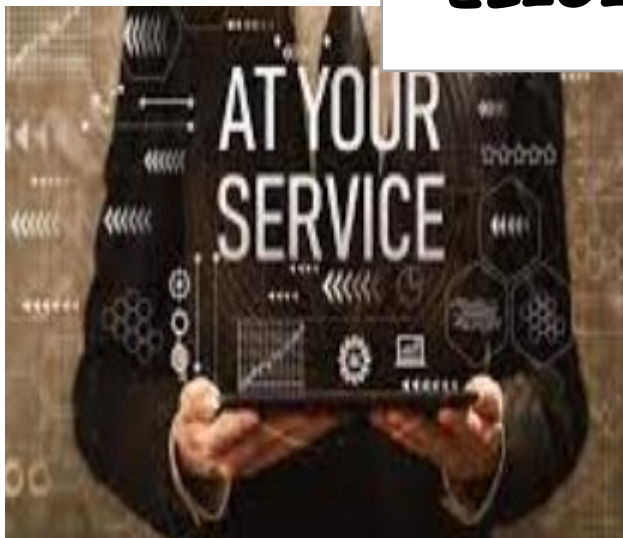
To be eligible under this Scheme,

- **For Individual Service Providers and Sole Proprietorships**, such minimum net free foreign exchange earnings criterion is **\$10,000** in the preceding financial year.
- The Service provider (**other than Individual and sole proprietor**) shall have minimum net free foreign exchange earnings of **\$15,000** in the preceding financial year.

Net Foreign Exchange Earning = Gross Earnings in Foreign Exchange - Total expenses / payment / remittances of Foreign Exchange by the IEC holder, relating to service sector in the Financial year.



ELIGIBLE SERVICES



ELIGIBLE SERVICES

Following are the Services which are notified under Appendix 3X

❖ Business Services

- 1. Professional services (10 categories):** Legal services, Accounting and auditing services, Taxation services, Engineering services, and Medical services, Admissible rate: **5%**
- 2. Research and Development services:** R&D services on natural sciences, social sciences and humanities and Interdisciplinary R&D services. Admissible rate: **5%**
- 3. Rental/Leasing services without operators :** Relating to ships, aircraft, other transport equipment, and machinery and equipment, Admissible rate: **5%**
- 4. Other business services (16 categories):** Services such as Advertising services, Market research and public opinion polling services Management consulting service, Services incidental to agriculture, hunting and forestry, mining, fishing, manufacturing, energy distribution, Placement and supply services of personnel , Printing, publishing etc. Admissible rate: **3%**

ELIGIBLE SERVICES (contd.)

❖ COMMUNICATION SERVICES

1. Audiovisual services: Motion picture and video tape production and distribution service, Motion picture projection service, Radio and television services, Radio and television transmission services, Sound recording. Admissible rate: **5%**

❖ CONSTRUCTION AND RELATED ENGINEERING SERVICES

General Construction work for building, Civil Engineering, Installation and assembly work, Building completion and finishing work. Admissible rate: **5%**

❖ EDUCATIONAL SERVICES

Primary education, Secondary education, Higher education and Adult education. Admissible rate: **5%**

(Under education services, SEIS shall not be available on Capitation fee)

ELIGIBLE SERVICES (contd.)

- ❖ **ENVIRONMENTAL SERVICES** : Sewage services, Refuse disposal services, Sanitation and similar services. Admissible rate: **5%**

- ❖ **HEALTH-RELATED AND SOCIAL SERVICES** : Hospital services. Admissible rate: **5%**

- ❖ **TOURISM AND TRAVEL-RELATED SERVICES** :
 1. **Hotels and Restaurants services.** Admissible rate: **3%**
 2. **Travel agencies and Tourist guide.** Admissible rate: **5%**

- ❖ **RECREATIONAL, CULTURAL AND SPORTING SERVICES**
Entertainment services , News agency services, Libraries, archives, museums and other cultural services, Sporting and other recreational services. Admissible rate: **5%**

ELIGIBLE SERVICES (contd.)

❖ TRANSPORT SERVICES

- Maritime transport services: Passenger Transportation, Freight Transportation, Rental of vessels, aircrafts & commercial vehicles, Maintenance and Repair of Vessels, aircrafts and road transport equipment , Pushing and Towing Services , storage and warehouse services. Admissible rate: **5%**

INELIGIBLE CATEGORIES

Ineligible Categories under SEIS

Foreign exchange remittances related to **Financial services sector**:

- Issuance of foreign equity / foreign currency bonds
- Raising of foreign currency loans
- Export proceed realization of clients
- Income earned through contract, regular employment abroad
- Services provided in telecom sector
- Foreign exchange turnover by Educational / Healthcare Institutions like donations, equity participation etc.

APPLICATION FOR SEIS



- Documents required
- Procedure for Application
- Deadline for Application
- Application processing time

DOCUMENTS REQUIRED

Signed copy of the following documents needs to be uploaded:

1. IEC Certificate
2. Application Form for Service Exports From India Scheme (SEIS) in Form ANF 3B
3. Write Up of Services
4. Invoices and Foreign Inward Remittance Certificate (FIRC) / FIRA
5. Registration-Cum-Membership Certificate (RCMC)
6. Certificate of Chartered accountant / Company Secretary in Annexure to ANF 3B
7. DGFT DSC

DOCUMENTS REQUIRED (contd.)

8. Statement showing the Nexus between Invoices and FIRC (Table 4)
9. Necessary Declarations

Notes:

- A Foreign Inward Remittance Certificate (FIRC) is a document that acts as proof of foreign transfer to India.
- Registration-Cum-Membership Certificate (RCMC) is a certificate issued by SEPC

PROCEDURE FOR FILING APPLICATION

For filing of application of SEIS online:

- Visit www.dgft.gov.in
- Login to the portal with valid credentials and click on the service option present at the top of screen then Click on the SEIS option from the menu.
- Scroll down to find the “Apply for SEIS” node and click on Apply button on the SEIS node
- Fill in the required details of applicant, RCMC; year of rendering services exports for which SEIS claimed also required to be mentioned.

PROCEDURE (Contd.)

- Once the details are filled the next step is to upload the details of net foreign exchange earned for which first the applicant needs to download a sample format from the site and then upload the Invoice details. The rates of entitlement will be auto populated.
- The applicant can Opt to split the scrip into scrips of maximum 500,000 rupees each in “other details screen”
- Afterwards CA/CS certificate is required to be attached
- Now declaration is signed after adding the penalty details, if any
- Finally the summary can be downloaded and if everything seems to be in order, payment is made and e-receipt is generated.

DEADLINE FOR APPLICATION

- In order to claim the benefit under SEIS, application must be filed within **12 months** from the end of financial year of the claim period
- However, The Central government via **Notification No. 29/2015-20** dated 23rd September 2021 **extended the deadline** for filing the online application as per ANF 3B for Financial year 2019-20 to be **31st December 2021**, It was further notified that provision of late cut shall not be applicable and those applications shall get time barred after 31st December

APPLICATION PROCESSING TIME

- The Handbook of Procedures 2015-2020 states that the department is obligated to dispose off every SEIS application, **within three days of its receipt**. A delay in the above time is only allowed in case of any discrepancy or mistakes in the file.
- Scrip issued against the application can be viewed under My authorizations option under the Dashboard tab.

RESPONSE TO DEFICIENCY

- In case an application is marked deficient by the DGFT officer, Applicant can
- Make the amendment in the application
- Can respond to deficiency with remarks and supporting documents

Applicant can respond to Deficiency as under

My dashboard >> submitted application >> type of scheme “SEIS “>> type of sub scheme “Apply for SEIS – ANF 3D” >> Search >> Action button >> Respond to Deficiency

AMENDMENT OF SCRIP

Amendment request of scrips can be made only for the following reasons: -

- Extension of validity Period.
- Change in Entity Name
- Change in Entity Address

Note: For change in entity name, IEC should be modified before raising this request and same must appear at the time of raising request.

WITHDRAWAL OF APPLICATION

- Application for SEIS can be withdrawn within 2 days of submission by visiting DGFT's official site by following below procedure
- **My dashboard >> submitted application >> type of scheme "SEIS" >> type of sub scheme "Apply for SEIS – ANF 3D" >> Search >> Actions >> Withdraw application**

However, there is no provision for refund of fees in case application is withdrawn by the applicant.

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Thank You!!

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